

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L KATHMANDU 000498

SIPDIS

STATE FOR SA/INS
STATE ALSO FOR DS/IP/SA AND DS/DSS/OSAC
LONDON FOR POL/GUERNEY
NSC FOR MILLARD

E.O. 12958: DECL: 03/18/2014
TAGS: [CASC](#) [BEXP](#) [ECON](#) [PTER](#) [NP](#)
SUBJECT: NEPAL: COCA-COLA FEELS THE PINCH OF THE
MAOIST-IMPOSED EMBARGO

REF: A. A) KATHMANDU 489
[B. B](#)) KATHMANDU 437

Classified By: Deputy Chief of Mission Robert K. Boggs for reasons 1.5
(B,D)

[1](#). (C) On March 18, NN Singh, Managing Director of Coca-Cola Nepal reported to Econoff that the Coca-Cola's bottling plant located in Bharatpur (130 kms southeast of Kathmandu outside of Chitwan) ceased operations temporarily as a result of the Maoist-imposed economic blockade (reftels). He said that this was done as a precautionary measure; the company did not receive a specific threat. The factory will likely re-open on March 26.

[2](#). (C) Resorting to bicycle rickshaw delivery to the smaller shops, the distribution network of most commercial goods, including Coca-Cola beverages, has been hit hard by the economic blockade. Singh indicated that Coke's local management decided to close the facility when it realized that the Maoists were serious about their embargo, which began on March 8. He said that Coke employees, recognizing that the company would lose money if production was not complete through to the bottling stage, decided to open the factory themselves and finish the pending work. The employees were able to complete the production run in the course of one evening. Singh indicated that there will likely be a supply gap once the Maoist imposed embargo is lifted on March 25, but that Coca-Cola India would send an initial shipment to supplement Nepal's Coca-Cola needs. (Note: Coca-Cola is one of the largest U.S. investors and the only large U.S. distributor in Nepal. End Note.)

[3](#). (C) Ironically, the President of Coca-Cola India was in Kathmandu this week to consult with local managers on the advisability of opening two new bottling plants in Nepal.
MALINOWSKI